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Full Day Compliance Training Outline* (March 4, 2010)

1. What is requested under Japanese banking laws and regulations?
 - ① Basics of Japanese Banking Law, Article 1
 - ② Meaning of license requirements and permitted business
 - ③ Risk management and compliance, their interdependent relationship
 - ④ Impact of Basel II and subprime loan issues on Japanese bank regulations
 - ⑤ Disclosure requirements under Japanese regulations
 - ⑥ Recent moves since the DPJ took office
2. Recent trend of administrative orders imposed on financial institutions
 - ① Special attention paid to “firewalls”, among banking, securities, insurance and trust business
 - ② Effect of “administrative guidance” by FSA
3. Recent changes to financial related laws and regulations
 - ① Japanese Corporation Law and corporate governance
 - ② Personal Data Protection Law and Whistle Blower Protection Law
 - ③ J-SOX and internal control requirements
 - ④ Law for Prevention of Transfer of Criminal Proceeds and other money laundering regulations
4. Impact of new Financial Instruments and Exchange Law (FIEL) and revised Financial Instruments Sales Law on your business
 - ① New registration requirements for banks and licensing requirements for sales personnel
 - ② Various restrictions on sales activities (“Koui-Kisei”), including emphasis on “suitability” issue
 - ③ New insurance products and trust beneficiary right securities regulations
5. Effect of FSA revised Inspection Manuals and other inspection devices on your financial institutions
 - ① History of FSA Inspection Manuals and influence of COSO
 - ② FSA request of “Protection of Customers”, including loan customers, under the Inspection Manual
 - ③ Request of effective internal audits under FSA Inspection Manual
 - ④ Importance of business process review and its improvement requirements
 - ⑤ Example of important administrative orders by the FSA
 - ⑥ Examples of C-Ratings in FSA bank inspections published by FSA
 - ⑦ Effect of procedural changes in recent FSA inspections

** This outline is subject to fine-tuning based on the most recent regulatory developments.*

In addition to explanation of the above items, this course incorporates case studies on recent administrative orders issued by the FSA. Participants will take part in group discussions and respond to questions related to the cases. Five to ten administrative orders issued against foreign financial institutions will be provided for the purpose of such discussion to give participants a better understanding of the Japanese banking laws and regulations in practice.